

**— TESTIMONY —**  
**U.S. House Committee on Agriculture**  
Dave MacLennan | April 27, 2022

Chairman Scott, Ranking Member Thompson, Members of the Committee:

Thank you for inviting me here today to discuss the food system and the shared challenges we face to ensure food is produced and delivered safely, responsibly and reliably in the United States and around the world.

The food system has been remarkably resilient through the challenges of the last two years. We've faced an ongoing pandemic, extreme weather conditions and global disruptions. Still, food shortages have been rare and we have maintained good supplies due to the essential work of those in the sector.

My name is Dave MacLennan and I am the CEO of Cargill.

Cargill is 155,000 people working across the globe to nourish the world in a safe, responsible and sustainable way.

Our operations are broad. We bring together people, ideas and resources to deliver products, technology and ways of operating that build successful businesses and communities.

We produce a range of edible oils used in restaurants and home cooking, as well as ingredients for food and beverage manufacturers and foodservice companies.

We provide bio-based solutions across industries, including construction materials, paints and beauty products.

We support better animal health and nutrition with feed and premix options.

We help farmers finance their operations, manage risk and improve their soil.



And we process beef, turkey, value-added meats and egg products for retail, foodservice and processing customers. We also innovate by producing alternative proteins, including plant-based.

My understanding is that today's hearing is focused on North America protein, one of Cargill's many businesses. Cargill Meat Solutions Corporation is headquartered in Wichita, Kansas, and employs more than 28,000 people in 19 states. It operates facilities, distribution centers, feed mills and hatcheries in rural communities across the U.S.

The jobs Cargill employees do every day in these facilities put protein on the table for millions of Americans. We recognize their contributions with competitive compensation and benefits like onsite medical care, nearby wellness clinics and housing support. We increased base pay significantly over the past two years to recognize the critical role they play as frontline workers.

We acknowledge that the rising cost of most goods — including food — poses significant challenges for consumers worldwide. The price for meat is not immune to the global factors impacting inflation. Supply and demand, labor constraints, transportation challenges and rising feed costs add even greater pressure on supply chains and are resulting in increased prices at retail.

Meatpacking is a complex and cyclical business. The size and scale of our operations provides the agility to help mitigate volatility and ensure food is efficiently brought from farm to table.

We are providing a consistent food supply and strengthening the resilience of the food system to mitigate disruptions. We are actively hiring to reduce labor shortages, increasing wages and benefits for employees and investing in our plants so that they are run as efficiently and as safely as possible.

We also welcome competition to the industry and support the dynamics of a free market.

We believe in price transparency and fair, open markets. In our North America protein business, for example, Cargill consistently purchases a third of our cattle on a cash basis.

We also are committed to empowering and improving the livelihoods of the people who grow and raise our food. Our partnerships with farmers and ranchers are critical in delivering quality, affordable protein to groceries and consumers across the U.S.

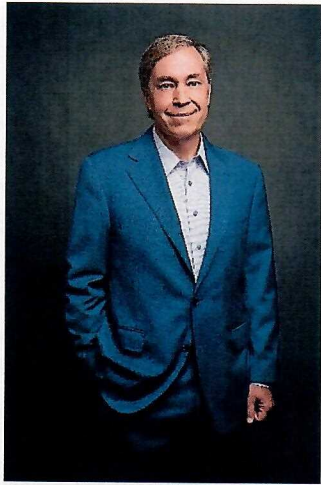
We know how hard and cyclical the cattle industry is. It is critical to all of us that ranchers sustain their operations and withstand market volatility.

Mr. Chairman and Ranking Member Thompson, we appreciate the work you and the members of this committee do to support America's farmers and ranchers. Cargill was started in 1865 in the farming community of Conover, Iowa, with the goal of providing markets for farmers. From that day on, we've known that if producers aren't successful, our company won't be.

Thank you for the opportunity to address the members of this committee. I look forward to answering your questions.

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**DAVID W. MacLENNAN**  
Board Chair and Chief Executive Officer  
Cargill  
Wayzata, MN

Dave MacLennan has served as chief executive officer of Cargill since 2013. He is the 9<sup>th</sup> CEO since Cargill was founded in 1865.

He began his Cargill career in 1991 in Cargill's Financial Markets Division in Cargill's Minneapolis and London offices. He later moved to Geneva to head Cargill Energy and then worked in Cargill Protein and Food Ingredients before becoming Chief Financial Officer in 2008, and Chief Operating Officer in 2011.

Prior to joining Cargill, he began his career as a runner, phone clerk, and risk manager in the futures and securities sector in Chicago. He was a member of the Chicago Board of Trade and Board of Options Exchange, and later in his career, president of fixed income capital markets at USBancorp Piper Jaffray in Minneapolis.

MacLennan serves on the boards of Ecolab, Caterpillar, the Minnesota Business Partnership, Amherst College and on The Business Council's executive committee. His non-profit board service has included Youth Frontiers and College Possible, in support of his passion for the needs of under-privileged youth and their access to education. He holds a bachelor's degree in English from Amherst College and an M.B.A. in finance from the University of Chicago.

*Cargill's 155,000 employees across 70 countries work relentlessly to achieve our purpose of nourishing the world in a safe, responsible and sustainable way. Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive. We combine 155 years of experience with new technologies and insights to serve as a trusted partner for food, agriculture, financial and industrial customers in more than 125 countries. Side-by-side, we are building a stronger, sustainable future for agriculture. For more information, visit [Cargill.com](https://www.cargill.com) and our [News Center](#)*



## Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)\* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: \_\_\_\_\_

Hearing Date: 04/27/2022

Hearing Subject :

**Review of Beef Markets**

Witness Name: David MacLennan

Position/Title: Board Chair, President and Chief Executive Officer

Witness Type: ☐ Governmental ☒ Non-governmental

Are you representing yourself or an organization? ☐ Self ☒ Organization

If you are representing an organization, please list what entity or entities you are representing:

Cargill, Incorporated

### **FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY**

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

Cargill, Incorporated



**Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.**

(See attached)

**Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.**

N/A

**Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.**

- ☒ I have attached a written statement of proposed testimony.
- ☒ I have attached my curriculum vitae or biography.

\* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.



The following federal contracts for the supply of beef products between Cargill, Incorporated's subsidiary, Cargill Meat Solutions Corporation, and the federal government are relevant only insofar as they involve the product beef:

Ground beef – 85% lean sales to USDA

November 2019: 121,200 lbs at \$2.54/lb

October 2019: 120,000 lbs at \$2.40/lb

September 2019: 280,000 lbs at \$2.40/lb

Trim – 85% lean sales to USDA

December 2019: 277,872 lbs at \$2.09/lb

November 2019: 120,013 lbs at \$2.09/lb

October 2019: 199,995 lbs at \$2.08/lb

September 2019: 320,685 lbs at \$2.075/lb

August 2019: 280,000 lbs at \$2.08/lb

July 2019: 241,332 lbs at \$2.025/lb

National School Lunch Program

Delivery Date	Contract #	Price	Item	Contract Volume	Contract Total
March 16-April 30, 2019	4100016803	\$3.60	Cooked Patty	190,000	\$684,000.00
July 16-August 31, 2019	4100017616	\$4.30	Cooked Patty	38,000	\$163,400.00
October 1-December 31, 2019	4100018494	\$4.695	Cooked Patty	152,000	\$713,640.00
February 1-29, 2020	4100019262	\$4.600	Cooked Patty	228,000	\$1,048,800.00
May 1-June 30, 2020	4100019825	\$4.35	Cooked Patty	38,000	\$165,300.00
August 1-31, 2020	4100020983	\$4.388	Cooked Patty	608,000	\$2,667,904.00
September 1-31st, 2020	4100021163	\$4.45	Cooked Patty	266,000	\$1,183,700.00
March 16-June 30, 2021	4100022512	\$3.75	Cooked Patty	114,000	\$427,500.00